

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

REVIEW REPORT  
OF  
STATE ETHICS COMMISSION  
STATE OF INDIANA  
April 1, 2002 to January 9, 2005



**FILED**  
01/31/2007



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Tim McClure	12-10-01 to 01-08-05
Chairperson	Sherie Hampshire	01-01-98 to 08-30-04
	David J. Hadley	08-31-04 to 10-11-05
	Clare K. Nuechterlein	10-12-05 to 09-01-09



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE ETHICS COMMISSION

We have reviewed the receipts, disbursements, and assets of the State Ethics Commission for the period of April 1, 2002 to January 9, 2005. The State Ethics Commission's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the State Ethics Commission are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

January 18, 2007

STATE ETHICS COMMISSION  
REVIEW COMMENTS  
JANUARY 9, 2005

FINAL REPORT

On January 10, 2005, Governor Mitchell E. Daniels, Jr., issued Executive Order 05-03 creating the Office of the Inspector General (OIG). This was later codified through Public Law 222-2005, Sec. 14. The OIG was created and assumed responsibility for addressing fraud, waste, abuse, and wrongdoing in state government. The State Ethics Commission continued to be the adjudicative body for all alleged ethics violations. The Inspector General is to provide staff for the State Ethics Commission and assumed the responsibility for investigating and initiating administrative, civil recovery, or criminal actions for alleged misconduct. Therefore, as of January 10, 2005, the State Ethics Commission is reviewed in conjunction with the OIG.

ATTENDANCE REPORTS

We observed that employee attendance reports were frequently signed and dated prior to the last day worked during 2004.

Employee attendance reports should not be signed, dated or approved prior to the last day worked in a pay period. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 9)

STATE ETHICS COMMISSION  
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2007, with David Thomas, Inspector General; and Dhiann Kinsworthy, Director of Finance. The officials concurred with our findings.

The contents of this report were discussed over the telephone on January 29, 2007, with Timothy McClure, former Director, State Ethics Commission.